



State of Utah

School and Institutional
TRUST LANDS ADMINISTRATION

Jon M. Huntsman, Jr.
Governor

Kevin S. Carter
Director

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March 10, 2005

Certified No. 71603901984217468314

Sawtooth Stone, LLC
P.O. Box 49
2104 S. 100 E.
Oakley, ID 83346

RE: ML 49384-MP

Gentlemen:

Paragraph 23 of the terms and conditions of the above numbered contract stipulates that Permittee will assume reclamation responsibility for unreclaimed mining disturbances by a previous trust lands lessee in the permitted lands. In Paragraph 12, Permittee agreed to furnish a performance and reclamation bond in such type and amount and by such date as Permitter may request.

The Trust Lands Administration as Permitter under ML 49384-MP hereby request Permittee to submit a reclamation bond to this office in the amount of \$5,000.00 within the next thirty (30) days. The form of said bond may be either: 1) a surety bond using the enclosed Bond of Lessee form and issued by an entity that is licensed by the Utah Department of Insurance; 2) a cash deposit to be held by the Trust lands Administration without any accrual or payment of interest to the Permittee; or, 3) an irrevocable letter of credit issued by an entity licensed by the Utah Department of Financial Institutions and naming the School and Institutional Trust Lands Administration as beneficiary for the reclamation of previously mined lands pursuant to minerals permit ML 49384-MP.

The bond must be received in this office within the next Thirty (30) days. Failure of Permittee to post the requested bond may result in the cancellation of ML 49384-MP by the Director and in the forfeiture of Permittee's rights under ML 49384-MP. Posting of the requested bond does not obviate the necessity of posting additional bonding for new mining disturbances as they are proposed by the Permittee under ML 49384-MP.

Thank you for your cooperation in this matter.

Sincerely,

John T. Blake
Mineral Resources Specialist

CC: Lynn Kunzler

Utah!

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